

C.A.F.E. Company Limited by Guarantee
Annual Report and Audited Financial Statements
for the financial year ended 31 December 2021

KSi Faulkner Orr Limited
Chartered Accountants and Statutory Auditors
10 Lower Mount Street
Dublin 2
Ireland

Company Number: 121298
Charity Number: CHY 9695
Charities Regulatory Authority Number: 20024291

C.A.F.E. Company Limited by Guarantee

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C.A.F.E. Company Limited by Guarantee
REFERENCE AND ADMINISTRATIVE INFORMATION

Directors	Helen Burke Martin Drury Paul Johnson Seanie Lambe Hassina Kiboua Louise O'Reilly Liz Burns
Chairperson	Clodagh Kenny
Company Secretary	Paul Johnson
Charity Number	CHY 9695
Charities Regulatory Authority Number	20024291
Company Number	121298
Registered Office and Principal Address	2 Curved Street Temple Bar Dublin 2
Auditors	KSí Faulkner Orr Limited Chartered Accountants and Statutory Auditors 10 Lower Mount Street Dublin 2 Ireland
Bankers	Bank of Ireland 6 Lower O'Connell Street Dublin 1 Ireland
Solicitors	Healy O'Connor Solicitors Quay House Fitton Street Co Cork Ireland

C.A.F.E. Company Limited by Guarantee

DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2021

The directors present their Directors' Annual Report, combining the Directors' Report and Trustees' Report, and the audited financial statements for the financial year ended 31 December 2021.

The financial statements are prepared in accordance with the Companies Act 2014, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Directors' Report contains the information required to be provided in the Directors' Annual Report under the Statement of Recommended Practice (SORP) guidelines. The directors of the charity are also charity trustees for the purpose of charity law and under the charity's constitution are known as members of the board of trustees.

In this report the directors of C.A.F.E. Company Limited by Guarantee present a summary of its purpose, governance, activities, achievements and finances for the financial year 2021.

The charity is a registered charity and hence the report and results are presented in a form which complies with the requirements of the Companies Act 2014 and, although not obliged to comply with the Statement of Recommended Practice applicable in the UK and Republic of Ireland FRS 102, the organisation has implemented its recommendations where relevant in these financial statements.

The charity is limited by guarantee not having a share capital.

Mission, Objectives and Strategy

Mission Statement

Create's strategy is informed by the wider societal context in which collaborative arts practice occurs and by the ever-evolving nature of that practice. The work of the organisation is driven by the goals set out in the strategy "Connect Create Change, Leading Collaborative Arts in Ireland (2020 - 2025)".

Create's vision is of a society that values its artists and invests in the active participation of diverse publics in multiple forms of artistic and cultural expression. Its mission is to lead the development of collaborative arts practice by enabling artists and communities to create exceptional art together.

The organisation's strategy provides a framework to support the ecology, resources and relationships that will develop discourse, policy and next practice. The strategic goals are designed to increase the reach of collaborative arts, enhance its value and ensure its ongoing sustainability.

Objectives

Create is the national development agency for collaborative arts. It has over 30 years' experience of leading this area of practice and provides extensive support to the arts sector in Ireland. Create's support for collaborative practice is unique in the international landscape of socially engaged practice. Collaborative practice spans a wide range of arts activities - architecture, visual arts, music, theatre, dance, film and live arts.

The organisation plays an important role in furthering public policy to increase access and participation in the arts. Its approach is closely aligned to Arts Council priority areas of public engagement and the artist (Making Great Art Work, 2016 - 2025).

Structure, Governance and Management

Governance

The organisation is committed to best practice in all aspects of governance and management. The directors are committed to the standards set out in the Charities Governance Code (Charities Regulator, 2018).

The directors comply with an internal Code of Conduct, the principles of which include loyalty, integrity, and disclosure of interests, confidentiality, legal obligation, fairness, impartiality and independence.

As a charity seeking funding from public and private sources, Create complies with the Guidelines for Charitable Organisations on Fundraising and is compliant with the Statement of Guiding Principles for Fundraising.

The company publishes governance information online at www.create-ireland.ie/aboutus/governance.

C.A.F.E. Company Limited by Guarantee

DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2021

Management

Dr Ailbhe Murphy was appointed as Chief Executive officer in 2015 with delegated authority for operational matters. The company employs a team of seven additional staff, complemented through a pool of freelance professionals, work placements and interns. The directors are fully confident in the capabilities of this dedicated, loyal and highly skilled and competent professional team.

Review of Activities, Achievements and Performance

Create published its strategy document, Connect Create Change, Leading Collaborative Arts in Ireland (2020 - 2025) in 2019, at a time of significant global change and in the firm belief that by working together, artists and communities can purposefully explore how collaborative arts engage in distinct, relevant and powerful ways with the urgent social, cultural and political issues of our times.

The company has identified five strategic goals, designed to increase the reach of collaborative arts, enhance its value and ensure its ongoing sustainability, driving our work forward.

- Goal One: Create innovative opportunities and ensure reliable supports for artists and communities to develop and sustain best practice
- Goal Two: Develop cultural and cross-sectoral partnerships to support greater diversity in the practice and strengthen its capacity for social change
- Goal Three: Be Ireland's expert resource, network forum and research engine for cultural, cross-sectoral and international knowledge about collaborative arts
- Goal Four: Engage a wide range of publics, stakeholders and policy makers in understanding, valuing and supporting collaborative arts
- Goal Five: Renew our organisational capacity and ensure resilience to deliver this strategy and be a dynamic national development agency for collaborative arts

The restrictions and changed working practices brought about by Covid-19 meant that in March, we faced the question: What does socially engaged arts practice look like at a time of social distancing? In response, we altered the language, focusing on physical distancing and social solidarity. In that spirit we worked to reimagine opportunities and supports, reflecting our need more than ever to Connect, Create and Change. Much of the planned programme of activities successfully moved online. We were unable to share our physical facilities due to Covid-19 and public health restrictions.

The directors are thankful for the work done by committed, enthusiastic socially engaged collaborative artists and communities whom we are proud to support. A detailed review of activities in 2021 is available online.

Financial Review

The results for the financial year are set out on page 12 and additional notes are provided showing income and expenditure in greater detail.

Financial Results

At the end of the financial year the charity has assets of €479,844 (2020 - €341,554) and liabilities of €420,244 (2020 - €286,222). The net assets of the charity have increased by €4,268.

Reserves Position and Policy

The directors makes regular assessments of what is required to ensure the company's ongoing operation. In 2019 the board determined that a Reserves Policy is required that sets out the extent to which unrestricted funds, not subject to commitments or other restrictions, can be set aside.

In determining the level of reserves that might be required, the directors took into account:

- The level of current unrestricted funds and an accumulated surplus
- Current and anticipated legal and regulatory obligations and guidelines
- Significant risks and uncertainties to future income and expenditure levels
- Existing and future operational and artistic requirements and commitments

In the board's view, the quantum of reserves that the organisation should carry is the equivalent of a Reserves Ratio of 25% or three months' provision for governance and support costs. Achieving this from the resources currently available will be a key target over the coming number of years.

Principal Risks and Uncertainties

As part of its overall duty of governance, the directors are aware of the risks to which the company is exposed and is satisfied that systems are in place to manage the organisation's exposure to risk, including risks and uncertainties associated with Covid-19, primarily the impact of a prolonged period of public health restrictions on movement and gatherings and the resultant impact on the arts and culture sector, including Create.

C.A.F.E. Company Limited by Guarantee

DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2021

The directors are not expecting to make any significant changes in the nature of the business in the near future. At the time of approving the financial statements, the company continues to be exposed to the effects of the Covid-19 pandemic, which is having a negative effect on trading activity, resulting in a lower than expected levels of activity and turnover for the year. In planning its future activities, the directors will seek to develop the company's activities whilst managing the effects of a difficult trading period caused by the pandemic.

Directors and Secretary

The directors who served throughout the financial year, except as noted, were as follows:

Helen Burke	Clodagh Kenny
Liz Burns (appointed 21 June 2022)	Hassina Kiboua
Sinead Dowling (resigned 22 February 2022)	Seanie Lambe
Martin Drury	Muiris Ó Céidigh (resigned 19 April 2021)
Deirdre Figueiredo (resigned 23 June 2021)	Louise O'Reilly
Paul Johnson	

In accordance with the constitution, the board of directors can have a maximum of 12 members, either elected by the members or appointed to fill a vacancy. The nominal term of office is 3 years. A maximum of 2 terms applies, except in exceptional circumstances. At the AGM, one-third of the directors retire by rotation, being the longest serving since last elected; retiring directors can put themselves forward for re-election, if available.

The board seeks a balance of skills and representation in its make-up. Prior to accepting appointment, nominees undergo detailed induction.

The secretary who served throughout the financial year was Arthur Duignan. Paul Johnson was appointed on 26 April 2022.

Compliance with Sector-Wide Legislation and Standards

The charity engages pro-actively with legislation, standards and codes which are developed for the sector. C.A.F.E. Company Limited by Guarantee subscribes to and is compliant with the following:

- The Companies Act 2014
- The Charities SORP (FRS 102)

Financial Controls

As a Guarantee Company the organisation relies on externally generated resources to finance operations. It is regularly entrusted with responsibility for the stewardship of resources intended for public and charitable benefit. The directors are satisfied that there are appropriate systems in place for the management of resources, including grants and donations.

The company is compliant with relevant Circulars, including Tax Clearance Procedures Grants, Subsidies and Similar Type Payments (44/2006) and the Statement of Principles for Grantees (13/2014).

Investment Powers and Policy

In accordance with the constitution, the company has the power to invest in any way the directors determine.

Auditors

Company Auditor 4U Limited resigned as auditors during the financial year and the directors appointed KSi Faulkner Orr Limited, (Chartered Accountants), to fill the vacancy.

Statement on Relevant Audit Information

In accordance with section 330 of the Companies Act 2014, so far as each of the persons who are directors at the time this report is approved are aware, there is no relevant audit information of which the statutory auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

C.A.F.E. Company Limited by Guarantee


DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2021

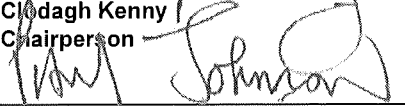
Accounting Records

To ensure that adequate accounting records are kept in accordance with Sections 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's office at 2 Curved Street, Temple Bar, Dublin 2.

Approved by the Board of Directors on 21/6/22 and signed on its behalf by:



Clodagh Kenny
Chairperson



Paul Johnson
Director

C.A.F.E. Company Limited by Guarantee

DIRECTORS' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2021

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the charity as at the financial year end date and of the net income or expenditure of the charity for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the relevant financial reporting framework, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.


The directors confirm that they have complied with the above requirements in preparing the financial statements.


The directors are responsible for ensuring that the charity keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the charity, enable at any time the assets, liabilities, financial position and net income or expenditure of the charity to be determined with reasonable accuracy, enable them to ensure that the financial statements and the Directors' Annual Report comply with Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the charity's auditor in connection with preparing the auditor's report) of which the charity's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approved by the Board of Directors on 21/6/22 and signed on its behalf by:


Clodagh Kenny
Chairperson


Paul Johnson
Director

INDEPENDENT AUDITOR'S REPORT

to the Members of C.A.F.E. Company Limited by Guarantee

Report on the audit of the financial statements

Opinion

We have audited the charity financial statements of C.A.F.E. Company Limited by Guarantee for the financial year ended 31 December 2021 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the charity as at 31 December 2021 and of its surplus for the financial year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", as applied in accordance with the provisions of the Companies Act 2014 and having regard to the Charities SORP; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the Provisions Available for Audits of Small Entities, in the circumstances set out in note 3 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the charity were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

INDEPENDENT AUDITOR'S REPORT

to the Members of C.A.F.E. Company Limited by Guarantee

Matters on which we are required to report by exception

Based on the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Annual Report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not complied with by the company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

to the Members of C.A.F.E. Company Limited by Guarantee

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the charity's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the charity and the charity's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Laura Fallon

for and on behalf of

KSI FAULKNER ORR LIMITED

Chartered Accountants and Statutory Auditors

10 Lower Mount Street

Dublin 2

Ireland

..... 21/6/22

C.A.F.E. Company Limited by Guarantee
STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)
for the financial year ended 31 December 2021

	Notes	Unrestricted Funds 2021 €	Restricted Funds 2021 €	Total 2021 €	Unrestricted Funds 2020 €	Restricted Funds 2020 €	Total 2020 €
Income							
Charitable activities							
- Grants from governments and other co-funders	4.1	714,444	27,500	741,944	397,242	285,942	683,184
Other income	4.2	45,328	-	45,328	48,027	-	48,027
Total income		759,772	27,500	787,272	445,269	285,942	731,211
Expenditure							
Charitable activities	5.1	755,504	27,500	783,004	429,793	313,242	743,035
Net income/(expenditure)		4,268	-	4,268	15,476	(27,300)	(11,824)
Transfers between funds		(2,744)	2,744	-	-	-	-
Net movement in funds for the financial year		1,524	2,744	4,268	15,476	(27,300)	(11,824)
Reconciliation of funds							
Balances brought forward at 1 January 2021	15	58,076	(2,744)	55,332	42,600	24,556	67,156
Balances carried forward at 31 December 2021		59,600	-	59,600	58,076	(2,744)	55,332

The Statement of Financial Activities includes all gains and losses recognised in the financial year.
All income and expenditure relate to continuing activities.

Approved by the Board of Directors on 21/6/22 and signed on its behalf by:


Ciodagh Kenny
Chairperson

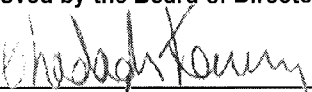

Paul Johnson
Director


C.A.F.E. Company Limited by Guarantee
BALANCE SHEET

as at 31 December 2021

	Notes	2021 €	2020 €
Fixed Assets			
Intangible assets	9	8,975	15,416
Tangible assets	10	2,826	5,979
		<u>11,801</u>	<u>21,395</u>
Current Assets			
Debtors	11	57,234	64,000
Cash at bank and in hand		410,809	256,159
		<u>468,043</u>	<u>320,159</u>
Creditors: Amounts falling due within one year	12	<u>(420,244)</u>	<u>(286,222)</u>
Net Current Assets		<u>47,799</u>	<u>33,937</u>
Total Assets less Current Liabilities		<u>59,600</u>	<u>55,332</u>
Funds			
Restricted trust funds		-	(2,744)
General fund (unrestricted)		59,600	58,076
Total funds	15	<u>59,600</u>	<u>55,332</u>

Approved by the Board of Directors on 21/6/22 and signed on its behalf by:


 Clodagh Kenny
 Chairperson


 Paul Johnson
 Director

C.A.F.E. Company Limited by Guarantee
STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2021

	Notes	2021 €	2020 €
Cash flows from operating activities			
Net movement in funds		4,268	(11,824)
Adjustments for:			
Depreciation		9,515	10,241
		<u>13,783</u>	<u>(1,583)</u>
Movements in working capital:			
Movement in debtors		6,766	(35,860)
Movement in creditors		134,022	100,617
		<u>154,571</u>	<u>63,174</u>
Cash flows from investing activities			
Payments to acquire intangible assets		-	(7,337)
Payments to acquire tangible assets		-	(2,483)
Receipts from sales of tangible assets		79	375
		<u>79</u>	<u>(9,445)</u>
Net cash generated from investment activities		79	(9,445)
Net increase in cash and cash equivalents		154,650	53,729
Cash and cash equivalents at 1 January 2021		256,159	202,430
Cash and cash equivalents at 31 December 2021	17	410,809	256,159

C.A.F.E. Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2021

1. GENERAL INFORMATION

C.A.F.E. Company Limited by Guarantee is a company limited by guarantee incorporated in the Republic of Ireland. The registered office of the charity is 2 Curved Street, Temple Bar, Dublin 2 which is also the principal place of business of the charity. The financial statements have been presented in Euro (€) which is also the functional currency of the charity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102".

The charity has applied the Charities SORP on a voluntary basis as its application is not a requirement of the current regulations for charities registered in the Republic of Ireland. As permitted by the Companies Act 2014, the charity has varied the standard formats in that act for the Statement of Financial Activities and the Balance Sheet. Departures from the standard formats, as outlined in the Companies Act 2014, are to comply with the requirements of the Charities SORP and are in compliance with section 4.7, 10.6 and 15.2 of that SORP.

Statement of compliance

The financial statements of the charity for the financial year ended 31 December 2021 have been prepared on the going concern basis and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102".

Fund accounting

The following are the categories of funds maintained:

Restricted funds

Restricted funds represent income received which can only be used for particular purposes, as specified by the donors. Such purposes are within the overall objectives of the charity.

Unrestricted funds

Unrestricted funds consist of General and Designated funds.

- General funds represent amounts which are expendable at the discretion of the board, in furtherance of the objectives of the charity.

- Designated funds comprise unrestricted funds that the board has, at its discretion, set aside for particular purposes. These designations have an administrative purpose only, and do not legally restrict the board's discretion to apply the fund.

C.A.F.E. Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2021

Income

Income is recognised by inclusion in the Statement of Financial Activities only when the charity is legally entitled to the income, performance conditions attached to the item(s) of income have been met, the amounts involved can be measured with sufficient reliability and it is probable that the income will be received by the charity.

Income from charitable activities

Income from charitable activities include income earned from the supply of services under contractual arrangements and from performance related grants which have conditions that specify the provision of particular services to be provided by the charity. Income from government and other co-funders is recognised when the charity is legally entitled to the income because it is fulfilling the conditions contained in the related funding agreements. Where a grant is received in advance, its recognition is deferred and included in creditors. Where entitlement occurs before income is received, it is accrued in debtors.

Grants from governments and other co-funders typically include one of the following types of conditions:

- Performance based conditions: whereby the charity is contractually entitled to funding only to the extent that the core objectives of the grant agreement are achieved. Where the charity is meeting the core objectives of a grant agreement, it recognises the related expenditure, to the extent that it is reimbursable by the donor, as income.

-Time based conditions: whereby the charity is contractually entitled to funding on the condition that it is utilised in a particular period. In these cases the charity recognises the income to the extent it is utilised within the period specified in the agreement.

In the absence of such conditions, assuming that receipt is probable and the amount can be reliably measured, grant income is recognised once the charity is notified of entitlement.

Grants received towards capital expenditure are credited to the Statement of Financial Activities when received or receivable, whichever is earlier.

Expenditure

Expenditure is analysed between costs of charitable activities and raising funds. The costs of each activity are separately accumulated and disclosed, and analysed according to their major components. Expenditure is recognised when a legal or constructive obligation exists as a result of a past event, a transfer of economic benefits is required in settlement and the amount of the obligation can be reliably measured. Support costs are those functions that assist the work of the charity but cannot be attributed to one activity. Such costs are allocated to activities in proportion to staff time spent or other suitable measure for each activity.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Fixtures, fittings and equipment	-	25% Straight line
IT Equipment	-	25% Straight line

Debtors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Income recognised by the charity from government agencies and other co-funders, but not yet received at financial year end, is included in debtors.

Cash at bank and in hand

Cash at bank and in hand comprises cash on deposit at banks requiring less than three months notice of withdrawal.

C.A.F.E. Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2021

Taxation and deferred taxation

No current or deferred taxation arises as the charity has been granted charitable exemption. Irrecoverable valued added tax is expensed as incurred.

Research and development

Development expenditure is written off in the same financial year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the charity is expected to benefit.

Digital Licence

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at a revalued amount, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

- Intangible assets - 20% Straight Line Method

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Financial Instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in the Statement of Financial Activities with the exception of hedging instruments in a designated hedging relationship.

Any reversals of impairment are recognised in the Statement of Financial Activities immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

3. PROVISIONS AVAILABLE FOR AUDITS OF SMALL ENTITIES

In common with many other charity of our size and nature, we use our auditors to assist with the preparation of the financial statements.

4. INCOME

4.1 CHARITABLE ACTIVITIES

	Unrestricted Funds €	Restricted Funds €	2021 €	2020 €
Income from charitable activities	714,444	27,500	741,944	683,184

C.A.F.E. Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2021

4.2	OTHER INCOME		Unrestricted Funds	Restricted Funds	2021	2020
			€	€	€	€
	Other income		45,328	-	45,328	48,027
5.	EXPENDITURE					
5.1	CHARITABLE ACTIVITIES	Direct Costs	Other Costs	Support Costs	2021	2020
		€	€	€	€	€
	Expenditure on charitable activities	305,467	-	477,537	783,004	743,035
5.2	SUPPORT COSTS			Charitable Activities	2021	2020
				€	€	€
	Wages and salaries			344,727	344,727	343,097
	Support costs			123,153	123,153	65,096
	Governance costs			5,967	5,967	7,887
	Audit costs			3,690	3,690	3,690
				477,537	477,537	419,770
6.	ANALYSIS OF SUPPORT COSTS				2021	2020
					€	€
	Wages and salaries				344,727	343,097
	Support costs				123,153	65,096
	Governance costs				5,967	7,887
	Audit costs				3,690	3,690
					477,537	419,770
7.	NET INCOME				2021	2020
					€	€
	Net Income is stated after charging/(crediting):					
	Depreciation of intangible assets				6,441	6,441
	Depreciation of tangible assets				3,074	3,800
	Research and development					
	- amortised deferred expenditure (included above)				5,041	5,041

C.A.F.E. Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2021

8. EMPLOYEES AND REMUNERATION

Number of employees

The average number of persons employed (including executive directors) during the financial year was as follows:

	2021	2020
	Number	Number
Administration	<u>8</u>	<u>8</u>
The staff costs comprise:	2021	2020
	€	€
Wages and salaries	313,345	310,748
Social security costs	31,382	31,887
	<u>344,727</u>	<u>342,635</u>

In 2021, two employees were paid salaries of between €50,000 and €60,000. No employer pension contributions were made in the period.

9. INTANGIBLE FIXED ASSETS

	Digital	Development	Total
	Licence	Costs	€
	€	€	€
Cost			
At 31 December 2021	<u>7,000</u>	<u>20,163</u>	<u>27,163</u>
Provision for diminution in value			
At 1 January 2021	3,500	8,247	11,747
Charge for financial year	<u>1,400</u>	<u>5,041</u>	<u>6,441</u>
At 31 December 2021	<u>4,900</u>	<u>13,288</u>	<u>18,188</u>
Net book value			
At 31 December 2021	<u>2,100</u>	<u>6,875</u>	<u>8,975</u>
At 31 December 2020	<u>3,500</u>	<u>11,916</u>	<u>15,416</u>

C.A.F.E. Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2021

10. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment €	IT Equipment €	Total €
Cost			
At 1 January 2021	2,778	18,466	21,244
Disposals	-	(79)	(79)
At 31 December 2021	<u>2,778</u>	<u>18,387</u>	<u>21,165</u>
Depreciation			
At 1 January 2021	2,494	12,771	15,265
Charge for the financial year	189	2,885	3,074
At 31 December 2021	<u>2,683</u>	<u>15,656</u>	<u>18,339</u>
Net book value			
At 31 December 2021	<u><u>95</u></u>	<u><u>2,731</u></u>	<u><u>2,826</u></u>
At 31 December 2020	<u><u>284</u></u>	<u><u>5,695</u></u>	<u><u>5,979</u></u>

11. DEBTORS

	2021 €	2020 €
Trade debtors	52,294	52,830
Prepayments	4,940	11,170
	<u><u>57,234</u></u>	<u><u>64,000</u></u>

12. CREDITORS
Amounts falling due within one year

	2021 €	2020 €
Trade creditors	106,505	156,107
Taxation and social security costs	10,684	11,208
Other creditors	1,689	3,465
Accruals	73,114	47,614
Deferred Income	228,252	67,828
	<u><u>420,244</u></u>	<u><u>286,222</u></u>

13. State Funding

Agency	Arts Council
Grant Programme	Strategic Funding 2021
Term	2021
Total Fund	€330,000
Fund deferred or due at financial year end	€0
Received in the financial year	€330,000
Capital Grant	No
Restriction on use	Unrestricted

C.A.F.E. Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2021

Agency	Arts Council
Grant Programme	Strategic Funding 2021
Term	2021
Total Fund	€10,000
Fund deferred or due at financial year end	€0
Received in the financial year	€10,000
Capital Grant	No
Restriction on use	Restricted
Agency	Arts Council
Grant Programme	Strategic Funding 2022
Term	2022
Total Fund	€375,000
Fund deferred or due at financial year end	€93,750
Received in the financial year	€93,750
Capital Grant	No
Restriction on use	Unrestricted
Agency	Arts Council
Grant Programme	Artist in Community Scheme
Term	2021
Total Fund	€332,500
Fund deferred or due at financial year end	€92,228
Received in the financial year	€332,500
Capital Grant	No
Restriction on use	Unrestricted
Agency	Arts Council
Grant Programme	Creative Places - Tuam
Term	2020-2022
Total Fund	€375,000
Fund deferred or due at financial year end	€20,418
Received in the financial year	€80,750
Capital Grant	No
Restriction on use	Unrestricted
Agency	Arts Council
Grant Programme	Creative Places - Network Services
Term	2021 - 2023
Total Fund	€180,000
Fund deferred or due at financial year end	€8,506
Received in the financial year	No
Capital Grant	Unrestricted
Restriction on use	
Agency	Arts Council
Grant Programme	Capacity Building 2020
Term	2020
Total Fund	€20,000
Fund deferred or due at financial year end	€3,442
Received in the financial year	€18,000 received in 2020
Capital Grant	No
Restriction on use	Designated

C.A.F.E. Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2021

Agency	Arts Council
Grant Programme	Capacity Building 2020
Term	2020
Total Fund	€19,939
Fund deferred or due at financial year end	€11,790
Received in the financial year	€17,946
Capital Grant	No
Restriction on use	Designated
Agency	Arts Council
Grant Programme	Capacity Building 2021
Term	2021
Total Fund	€20,000
Fund deferred or due at financial year end	€15,203
Received in the financial year	€16,000
Capital Grant	No
Restriction on use	Designated
Agency	Arts Council
Grant Programme	Arts Participation Commission
Term	2020
Total Fund	€20,000
Fund deferred or due at financial year end	€4,000
Received in the financial year	€16,000
Capital Grant	No
Restriction on use	Designated

14. RESERVES

	2021	2020
	€	€
At 1 January 2021	55,332	67,156
Surplus/(Deficit) for the financial year	4,268	(11,824)
At 31 December 2021	59,600	55,332

15. FUNDS

15.1 RECONCILIATION OF MOVEMENT IN FUNDS

	Unrestricted Funds €	Restricted Funds €	Total Funds €
At 1 January 2020	42,600	24,556	67,156
Movement during the financial year	15,476	(27,300)	(11,824)
At 31 December 2020	58,076	(2,744)	55,332
Movement during the financial year	1,524	2,744	4,268
At 31 December 2021	59,600	-	59,600

C.A.F.E. Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2021

15.2 ANALYSIS OF MOVEMENTS ON FUNDS

	Balance 1 January 2021 €	Income €	Expenditure €	Transfers between funds €	Balance 31 December 2021 €
Restricted	(2,744)	27,500	27,500	2,744	-
Unrestricted funds					
Unrestricted General	58,076	759,772	755,504	(2,744)	59,600
Total funds	55,332	787,272	783,004	-	59,600

15.3 ANALYSIS OF NET ASSETS BY FUND

	Fixed assets - charity use €	Current assets €	Current liabilities €	Total €
Unrestricted general funds	11,801	468,043	(420,244)	59,600
	11,801	468,043	(420,244)	59,600

16. STATUS

The charity is limited by guarantee not having a share capital.

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members, or within one financial year thereafter, for the payment of the debts and liabilities of the company contracted before they ceased to be members, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding € 1.

17. CASH AND CASH EQUIVALENTS

	2021 €	2020 €
Cash and bank balances	410,809	256,159

18. POST-BALANCE SHEET EVENTS

There have been no significant events affecting the Charity since the financial year-end.

19. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on

.....21/6/22.....